

American Real Estate Holdings Limited Partnership

100 South Bedford Road Mount Kisco, NY 10549

914-242-7700 • 914-242-9282 (Fax)

cc: BOB MICHAELSON/FAX
ALAN REESE**Via Certified Mail, Return Receipt Requested**

April 24, 2001

Mr. Akos Nagy
Director of Real Estate
WR Grace & Co.
7500 Grace Drive
Columbia, MD 21044

Woburn, MA

Post-It® Fax Note	7671	Date	7/27/01	# of pages	5
To	BOB MICHAELSON	From	MURRAY K		
Co./Dept.	K & L	Co.	AREP		
Phone #		Phone #	(914) 242-7700		
Fax #	(212) 536-3901	Fax #			

Re: Lease dated July 22, 1981 between American Real Estate Holdings Limited Partnership as successor in interest to American Property Investors XI ("Landlord") and W.R. Grace & Co.-Conn., as successor in interest to Chomerics, Inc. ("Tenant") covering a certain premises located at 78 Dragon Court, Woburn, Massachusetts 01888 (the "Lease")

Dear Mr. Nagy:

Please be advised that the Landlord conducted an on-site walk-through review of the above captioned property on April 17, 2001 to observe its general physical condition. Conditions of deferred maintenance deficiencies were observed on the subject property during this review as indicated in the attached Property Observation Report.

The deferred maintenance deficiencies observed by the Landlord during the on-site review does not relieve the Tenant of past, present or future obligations to cure any and all conditions of deferred maintenance deficiencies as required under the Lease whether or not the Landlord observes these deficiencies or comments about them. The subject matter and comments made in the Property Observation Report are being provided to you strictly as a courtesy and the Landlord does not warrant or make any representations as to their completeness. It is the Tenant's obligation to become aware of, to address and to correct any deferred maintenance deficiencies on the Leased Premises without the necessity of the Landlord making the Tenant aware of them.

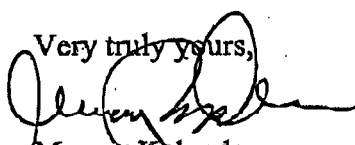
In accordance with the provisions of the Lease, the Tenant is obligated at its own cost and expense, to take good care of and maintain in good order and repair the Leased Premises and to promptly make all necessary repairs, replacements, restorations and renewals to the Leased Premises.

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We therefore hereby require you, the Tenant, to cure the aforementioned conditions of deferred maintenance deficiencies. Kindly advise us within thirty (30) days from the date hereof, of the corrective work and time schedule you will or have already implemented to cure the stated deficiencies. When the corrective work has been completed, proof of such by the Tenant will be required.

Please call me should you have any questions regarding these issues. It is imperative that you promptly address and cause compliance with these issues without undue delay.

Very truly yours,



Murray Kalender
Director of Engineering

MK:dm

cc: Alan Reese

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PROPERTY OBSERVATION REPORT**Tenant:** WR Grace**Location:** 78 Dragon Court
Woburn, MA**Inspection
Date:** April 17, 2001**On-Site
Rep.:** Bill McIntyre, Building Technology Engineers, Lauren Murphy and
Laura Rogan, Spaulding & Slye**Current Use:** Office Building**Deferred
Maintenance:**

- The asphaltic concrete paved lower and third floor level parking lots contain numerous longitudinal and transverse shrinkage and stress cracks, requiring repair with a rubberized asphalt joint sealant and total seal coating and restriping throughout both parking lot areas.
ESTIMATED COST: \$28,500
- A missing double lamp fixtured light pole was noted in the northwest area of the lower level parking lot, requiring replacement.
ESTIMATED COST: \$2,700
- The unit brick floor pavers at the lower and third floor level exterior building entrances exhibit considerable surface damaged discolorations, cracked and loose paver units, cracked and missing mortar grouted joints, requiring total removal and replacement. In addition, the rust deteriorated metal counter flashing embedded along the exterior wall base adjacent to the third floor level pavers should also be replaced in conjunction with this work.
ESTIMATED COST: \$86,300
- The exterior concrete retaining walls against the building, third floor level parking area, and ramp between parking levels requires pressure injection of an elastomeric sealant/epoxy into all shrinkage cracks, repair of broken and damaged concrete corners, regrouting of voids in the sleeved pipe rail connections along top of retaining walls, and total repainting of all concrete retaining walls and metal pipe rails.
ESTIMATED COST: \$27,800
- The outboard surface of the split face concrete masonry block units on the exterior building walls exhibits moisture absorption and intrusion, requiring